

Qatar Navigation Q.S.C.

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 SEPTEMBER 2012

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2012

	<i>For the nine months ended</i>	
	<i>30 September</i>	
	<i>2012</i>	<i>2011</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
Operating revenues	1,750,583	1,690,854
Salaries, wages and other benefits	(392,225)	(346,920)
Operating supplies and expenses	(571,771)	(619,775)
Rent expenses	(44,657)	(45,079)
Depreciation and amortization	(190,507)	(209,635)
Other operating expenses	(99,445)	(88,275)
OPERATING PROFIT	451,978	381,170
Finance costs	(36,041)	(29,807)
Finance income	39,518	33,682
Profit on disposal of property, vessels and equipment	4,583	4,028
Share of results of associates	171,638	187,427
Miscellaneous income	11,599	11,376
Impairment of available-for-sale investments	(4,802)	(619)
PROFIT FOR THE PERIOD	638,473	587,257
<i>Attributable to:</i>		
Shareholders of the parent	637,435	584,357
Non-controlling interest	1,038	2,900
	638,473	587,257
BASIC AND DILUTED EARNINGS PER SHARE		
<i>(attributable to shareholders of the parent)</i>		
<i>expressed in QR per share)</i>	5.57	5.10

The attached notes 1 to 4 form part of these interim condensed consolidated financial statements.

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2012

	<i>Note</i>	<i>30 September 2012 (Unaudited) QR'000</i>	<i>31 December 2011 (Audited) QR'000</i>
ASSETS			
Non-current assets			
Property, vessels and equipment		3,626,825	3,465,514
Investment properties	2	665,028	684,220
Intangible assets		46,059	71,020
Investment in associates		3,573,102	3,617,194
Available-for-sale investments		2,945,950	3,282,885
Loans to LNG and LPG companies		341,768	338,340
Notes receivable		1,379	1,821
		<u>11,200,111</u>	<u>11,460,994</u>
Current assets			
Inventories		144,625	114,851
Accounts receivable and prepayments		630,756	611,251
Financial investments at fair value through profit or loss		483,082	202,457
Bank balances and cash		1,512,259	923,348
		<u>2,770,722</u>	<u>1,851,907</u>
TOTAL ASSETS		<u>13,970,833</u>	<u>13,312,901</u>
EQUITY AND LIABILITIES			
Attributable to shareholders of the parent			
Share capital		1,145,252	1,145,252
Legal reserve		4,693,986	4,693,986
General reserve		623,542	623,542
Fair value reserve		3,011,283	3,143,749
Hedging reserve		(1,055,122)	(963,281)
Retained earnings		2,159,005	1,521,573
Proposed cash dividends		-	400,838
		<u>10,577,946</u>	<u>10,565,659</u>
Non-controlling interest		57,218	56,222
Total equity		<u>10,635,164</u>	<u>10,621,881</u>

Continued

Qatar Navigation Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 September 2012

	<i>30 September 2012 (Unaudited) QR'000</i>	<i>31 December 2011 (Audited) QR'000</i>
Non-current liabilities		
Interest bearing loans and borrowings	1,917,322	513,722
Advance from a customer	187,513	187,497
Employees' end of service benefits	68,860	66,018
Obligation under finance leases	685	3,451
	<u>2,174,380</u>	<u>770,688</u>
Current liabilities		
Accounts payable and accruals	455,359	459,742
Interest bearing loans and borrowings	701,597	1,446,311
Obligation under finance leases	4,333	6,257
Bank overdrafts	-	8,022
	<u>1,161,289</u>	<u>1,920,332</u>
Total liabilities	<u>3,335,669</u>	<u>2,691,020</u>
TOTAL EQUITY AND LIABILITIES	<u>13,970,833</u>	<u>13,312,901</u>

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H.E. Sheikh Ali bin Jassim bin Mohammed Al-Thani
Chairman and Managing Director

.....
Mr. Khalifa bin Ali Al-Hetmi
Chief Executive Officer

1 BASIS OF PREPARATION

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2011.

The consolidated financial statements include the financial statements of the Company and that of its subsidiaries as defined in the annual financial statements for the year ended 31 December 2011 and is referred to as the "Group".

The interim condensed consolidated financial statements have been published as per the instructions of the Qatar Exchange and have not been reviewed by the external auditors.

2 INVESTMENT PROPERTIES

Investment properties with a carrying value at QR 665,028,000 as of 30 September 2012 (31 December 2011: QR 684,220,000) were appraised by an accredited independent appraiser, DTZ at a fair value of QR 2,436,098,000 with the valuation report dated 30 September 2012 (31 December 2011: QR 2,411,997,000). DTZ is an industry specialist in valuing these types of investment properties.

Qatar Navigation Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2012

3 SEGMENT INFORMATION

Nine months period ended 30 September 2012 (Unaudited)

	<i>Milaha Maritime and Logistics QR'000</i>	<i>Milaha Offshore QR'000</i>	<i>Milaha Capital QR'000</i>	<i>Milaha Trading QR'000</i>	<i>Milaha Gas and Petrochem QR'000</i>	<i>Adjustments relating to Milaha Corporate QR'000</i>	<i>Total segments QR'000</i>	<i>Adjustments and eliminations(i) QR'000</i>	<i>Consolidated QR'000</i>
Operating revenues	620,599	408,719	469,702	311,080	176,126	-	1,986,226	(235,643)	1,750,583
Salaries, wages and other benefits	(145,051)	(127,606)	(12,552)	(8,989)	(52,357)	(46,360)	(392,915)	690	(392,225)
Operating supplies and expenses	(227,823)	(103,414)	(125,549)	(279,309)	(53,719)	(2,414)	(792,228)	220,457	(571,771)
Rent expenses	(4,388)	(5,592)	(36,383)	(1,050)	(873)	(9,336)	(57,622)	12,965	(44,657)
Depreciation and amortisation	(49,966)	(53,680)	(25,919)	(791)	(58,189)	(1,962)	(190,507)	-	(190,507)
Other operating expenses	(57,939)	(20)	(10,793)	(2,702)	(4,528)	(24,994)	(100,976)	1,531	(99,445)
OPERATING PROFIT	135,432	118,407	258,506	18,239	6,460	(85,066)	451,978	-	451,978
Finance costs	(8,414)	(5,278)	(12,605)	(60)	(9,684)	-	(36,041)	-	(36,041)
Finance income	-	1,197	21,519	-	16,802	-	39,518	-	39,518
Profit on disposal of property, vessels and equipment	223	4,367	(7)	-	-	-	4,583	-	4,583
Share of results of associates	487	-	-	-	171,151	-	171,638	-	171,638
Miscellaneous income	2,085	685	3,240	3,913	1,676	-	11,599	-	11,599
Impairment of available-for-sale investments	-	-	(4,802)	-	-	-	(4,802)	-	(4,802)
Allocation for Milaha Corporate	(52,820)	(9,963)	(6,775)	(6,585)	(8,923)	85,066	-	-	-
PROFIT FOR THE PERIOD	76,993	109,415	259,076	15,507	177,482	-	638,473	-	638,473
<i>Attributable to:</i>									
Shareholders of the parent	76,993	109,415	258,038	15,507	177,482	-	637,435	-	637,435
Non-controlling interest	-	-	1,038	-	-	-	1,038	-	1,038
	76,993	109,415	259,076	15,507	177,482	-	638,473	-	638,473

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2012

3 SEGMENT INFORMATION (continued)

Nine months period ended 30 September 2011 (Unaudited)

	Milaha Maritime and Logistics QR'000	Milaha Offshore QR'000	Milaha Capital QR'000	Milaha Trading QR'000	Milaha Gas and Petrochem QR'000	Adjustments relating to Milaha Corporate QR'000	Total segments QR'000	Adjustments and eliminations(i) QR'000	Consolidated QR'000
Operating revenues	505,866	418,622	353,039	349,920	182,504	-	1,809,951	(119,097)	1,690,854
Salaries, wages and other benefits	(129,311)	(119,509)	(10,466)	(8,533)	(47,310)	(32,014)	(347,143)	223	(346,920)
Operating supplies and expenses	(178,724)	(82,850)	(92,132)	(320,935)	(46,476)	(1,858)	(722,975)	103,200	(619,775)
Rent expenses	(4,922)	(5,615)	(36,492)	(1,187)	(1,276)	(10,958)	(60,450)	15,371	(45,079)
Depreciation and amortisation	(55,421)	(49,901)	(30,078)	(541)	(71,486)	(2,208)	(209,635)	-	(209,635)
Other operating expenses	(48,561)	(4)	(9,206)	(2,212)	(6,283)	(22,312)	(88,578)	303	(88,275)
OPERATING PROFIT	88,927	160,743	174,665	16,512	9,673	(69,350)	381,170	-	381,170
Finance costs	(7,155)	(1,759)	(8,200)	(76)	(12,617)	-	(29,807)	-	(29,807)
Finance income	-	2,187	10,252	-	21,243	-	33,682	-	33,682
Profit on disposal of property, vessels and equipment	-	3,631	397	-	-	-	4,028	-	4,028
Share of results of associates	(129)	-	-	-	187,556	-	187,427	-	187,427
Miscellaneous income	3,642	891	647	2,983	3,213	-	11,376	-	11,376
Impairment of available-for-sale investments	-	-	(619)	-	-	-	(619)	-	(619)
Allocation for Milaha Corporate	(41,735)	(8,628)	(5,593)	(5,544)	(7,850)	69,350	-	-	-
PROFIT FOR THE PERIOD	43,550	157,065	171,549	13,875	201,218	-	587,257	-	587,257
<i>Attributable to:</i>									
Shareholders of the parent	43,550	157,065	168,649	13,875	201,218	-	584,357	-	584,357
Non-controlling interest	-	-	2,900	-	-	-	2,900	-	2,900
	43,550	157,065	171,549	13,875	201,218	-	587,257	-	587,257

Note:

(i) Inter-segment revenues are eliminated on consolidation.

4 COMPARATIVE INFORMATION

(i) Operating revenues and operating expenses relating to the period ended 30 September 2011 have been amended to effect interdepartmental adjustment, affecting operating revenues and operating expenses.

(ii) Other operating expenses

QR'000

<i>Other operating expenses as previously reported</i>	89,197
Interdepartmental adjustments (<i>Note i</i>)	(303)
Transfer to Impairment of available-for-sale investments (<i>Noteiii</i>)	<u>(619)</u>
<i>As reclassified</i>	<u>88,275</u>

(iii) Impairment of available-for-sale investments

QR'000

<i>As reclassified (Note ii)</i>	<u>619</u>
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(iv) Reclassifications have been made by the Group to improve the quality of information presented and did not have any impact on the previously reported equity, profits and earnings per share.